



(W)  
R. N. Young

R. N. Young  
Director, National Accounts

Winston-Salem, NC 27102  
910-741-2542

R.M.'s  
Dirn / AS Fwd / Dena  
Copy to:

JWB  
DLW  
SGH

As information -- with this plan  
in place the retail stores will have  
2 PM, 1 RJR, 1 Lor., PM and RJR  
SAVINGS on Break Bar no other display.  
To clutter the counter, this program  
is temporary till we sell new PM/  
RJR only program in new design stores

May 23, 1995

Mr. Tim Graybar  
Category Manager  
Amoco Oil Company  
Mail Code: #1607  
200 East Randolph Drive  
Chicago, IL 60601-7125

Dear Tim:

As we discussed in our meeting of May 18, 1995, R. J. Reynolds will pay Amoco \$120 per month for self-service, and \$81 for non-self service, for all corporate stores meeting certain merchandising and advertising requirements. Payment will be based on RJR average volume of 33.5 cartons per week. Also, payment will be retro-active to April 1, 1995 and applied to all stores marked in compliance during April/May forward.

Tim, this agreement is based on having only two manufacturers "Permanent Programs" in Amoco.

Merchandising requirements were/are:

- For self-service payment of \$120/month/store
  - Self-Service Full Price Display: Having two trays with non-illuminated advertising Header Card, appropriate in height and width as agreed to by RJR and Amoco. Each tray will be ten packs wide and will accommodate at least 40 packs of product. Placement of Full Price Display must be in a self-service position on the front counter agreed to by RJR and Amoco.

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- Non-Self-Service Displays Pay \$81/Month/Store
  - Non-Self-Service Full Price Display: Having two trays with non-illuminated advertising Header Card, appropriate in height and width as agreed to by RJR and Amoco. Each tray will be ten packs wide and will accommodate at least 40 packs of product. Placement must be at parity with any other Full Price competitive companies display.
  - Savings Display: Will be two trays with non illuminated advertising header card, each try six packs wide and will accommodate a minimum of 30 packs of product per tray. RJR may not be disadvantaged by competition in size of display, size of Header Card or placement position, in RJR's sole determination.
  - Advertising: RJR will have permanent in-store sign that is no less in size and presence than parity with competitor and is located in a high visible, non-obstructed location in each store as agreed to by Amoco and RJR. Signage should be placed as near as possible to the point of purchase.

This agreement will start April 1, 1995, and end December 31, 1995. However, RJR will examine volume at least once per quarter and adjust Amoco payments, as Amoco's average RJR store volume increases or decreases.

Tim, I think this was our agreement. If you agree, please call Wayne Worley (708-459-1750) and he will bring the appropriate contract over for your signature.

Sincerely,

R. N. Young

RNY/jb - 0521

cc:      Mr. P. J. Cundari  
          Mr. S. R. Karambelas - #6200  
          Mr. L. S. Schreiber  
          Mr. E. W. Worley - #6242

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